Understanding Medicare

Medicare – What is it?

- Health insurance for people
  - Age 65 and older
  - Under age 65 with certain disabilities
  - Any age with End-Stage Renal Disease (ESRD)
- Administered by
  - Centers for Medicare & Medicaid Services (CMS)
- Enroll through
  - Social Security
  - Railroad Retirement Board (RRB)

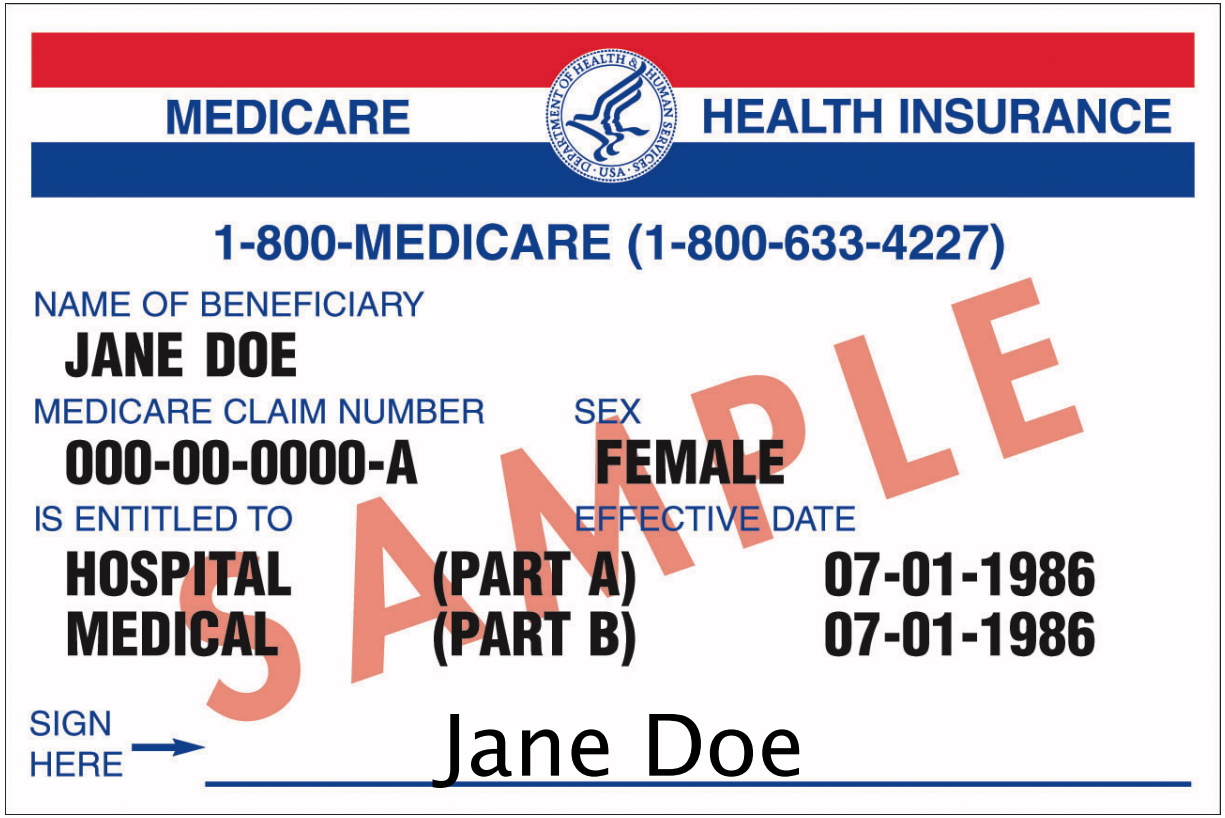
Medicare – At A Glance

- Medicare has four parts
  - Part A – Hospital Insurance
  - Part B – Medical Insurance
  - Part C – Medicare Advantage Plans
  - Part D – Prescription Drug Coverage
- You now have choices in how you get your Medicare health and drug coverage benefits delivered

Original Medicare

- Red, white, and blue Medicare card
- Part A and/or Part B
- Go to any provider that accepts Medicare
- You pay
  - Part B premium
    - Part A free for most people
  - Deductibles
  - Coinsurance or copayments

Medicare Card (front)



Medicare – Enrollment

- Apply 3 months before age 65
  - Need not be retired
  - SSA will enroll you in Medicare starting the first day of the month (upon meeting requirements)
- Auto Enrollment
  - If you are already receiving Social Security benefit
  - If receiving Railroad Retirement benefits

Medicare Part A – Hospital Coverage

- Part A premium is free for most people
- People with less than 10 years of Medicare-covered employment
  - Can pay a premium to get Part A
- Coverage
  - Hospital inpatient care, skilled nursing facility (SNF) care, home health care, hospice care, and blood.
- Charges based on "benefit period"
  - Inpatient hospital care and SNF services
  - Begins day admitted to hospital and ends when no care received in a hospital or SNF for 60 days in a row.
  - You pay deductible for each benefit period, No limit to number of benefit periods

Inpatient Hospital Stays

- Covered services:
  - Semi-private room
  - Meals
  - General nursing
  - Other hospital services and supplies
- Includes:
  - Inpatient care in acute care hospitals
  - Critical Access Hospitals
  - Inpatient Rehabilitation Facilities
  - Long Term Care Hospitals
- 190-day limit for inpatient mental health care in a lifetime

Paying for Hospital Stays

- For inpatient Hospital stays in 2010 you pay
  - $1,100 total deductible for days 1 – 60
  - $275 co-payment per day for days 61 – 90
  - $550 co-payment per day for days 91 – 150 (60 lifetime reserve days)
  - All costs for each day beyond 150 days

Skilled Nursing Facility Care

- Conditions of coverage (must meet all):
  - Require daily skilled services
    - Not long-term or custodial care
  - At least 3 consecutive days of inpatient hospital care for a related illness or injury
  - Admitted to SNF within 30 days of hospital discharge
  - MUST be a Medicare participating SNF
- Coverage:
  - Semi-private room, meals, skilled nursing care, physical, occupational, speech-language therapy, medical social services, medications, medical supplies/equipment, ambulance transportation, dietary counseling

Paying for SNF Care

- For each benefit period in 2010 you pay
  - $0 for days 1–20:
  - $137.50 per day for days 21–100
  - All costs after 100 days
- Must meet requirements for Medicare-covered stay
  - Does NOT include custodial care (if it is the only care you need)
  - Generally, skilled care is available only for a short time after a hospitalization whereas custodial care may be needed for a much longer period of time.

Home Health Care – Overview

- For as long as you are eligible (limited hours and days per week)
- Conditions:
  - Doctor must make a plan for your care at home
  - Must need specific skilled services
  - Must be homebound
  - Home health agency must be Medicare-approved
- Payment
  - In Original Medicare you pay
    - Nothing for covered home health care services
    - 20% of the Medicare-approved amount for covered durable medical equipment

Home Health Care – Coverage

- Covered services
  - Part-time/intermittent skilled nursing care
  - Therapy
    - Physical
    - Occupational
    - Speech-language
- May Also Include:
  - Medical social services
  - Some home health aide services
  - Durable medical equipment/supplies

Hospice – Overview

- Special care for terminally ill and family
  - Expected to live 6 months or less
  - Focuses on comfort, not on curing the illness
- Doctor must certify for each "period of care"
  - Two 90-day periods
  - Unlimited 60-day periods
- Hospice provider must be Medicare-approved
- Coverage:
  - Medical equipment and supplies, drugs for symptom control and pain relief, short-term hospital inpatient care, respite care in a Medicare-certified facility, home health aide and homemaker services, social worker services, dietary counseling, and grief counseling

Hospice – Paying for Care

- Payment in Original Medicare
  - You pay up to $5 for prescription drugs
  - You pay 5% for inpatient respite care
    - Amount can change each year
- Room and board generally not payable

Medicare Part B – Medical Coverage

- Enrollment in Part B is your choice
- Initial Enrollment Period (IEP)
  - 7 months beginning 3 months before age 65
- Enrolled automatically if receiving Social Security
  - To keep Part B, keep the card
  - If you don't want Part B, follow instructions with card

Medicare Part B – Enrollment

- General Enrollment Period (GEP)
  - January 1 through March 31 each year
  - Coverage effective July 1
  - Premium increases 10% for each 12-month period you were eligible but did not enroll
- Special Enrollment Period
  - Sign up within 8 months of the end of employer or union health plan coverage

Medicare Part B – Paying the Premium

- Taken out of your monthly payment
  - Social Security
  - Railroad Retirement
  - Federal Government retirement
- For information about premiums
  - Call SSA or RRB
  - OPM if a retired Federal employee
- May be billed every 3 months
- Medicare Easy Pay
- Programs available to help

Medicare Part B – Paying the Premium

Yearly Income Filed Individual Tax Return	File Joint Tax Return	Premium
$85,000 or less (2009)	$170,000 or less	$96.40
$85,000 or less (2010)	$170,000 or less	$110.50
$85,000.01–$107,000	$170,000.01–$214,000	$154.70
$107,000.01–$160,000	$214,000.01–$320,000	$221.00
$160,000.01–$214,00	$320,000.01–$428,000	$287.30
$214,000.01 or more	$428,000.01 or more	$353.60

Medicare Part B – Coverage

- Doctors' services
- Outpatient medical and surgical services and supplies
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Some preventive health care services
- Other medical services
- Clinical laboratory tests
- Home health services (not covered under Part A)
- Durable medical equipment
- Outpatient hospital services
- Blood
- Ambulance service
  - If other transportation would endanger your health

Medicare Part B – Preventive Services

- "Welcome to Medicare" physical exam
- Abdominal aortic aneurysm screening
- Bone mass measurement
- Cardiovascular disease screenings
- Colorectal cancer screenings
- Diabetes screenings
- Glaucoma tests
- Mammograms (screening)
- Pap test/pelvic exam/ clinical breast exam
- Prostate cancer screening
- Flu shots
- Pneumococcal shots
- Hepatitis B shots
- Smoking cessation
- HIV screenings

Medicare Part B – Cost of Services

- In Original Medicare you pay
  - Yearly deductible
    - $155 in 2010
  - 80% covered by Medicare, 20% co-pays for most services
  - Some copayments
- Some programs may help

Original Medicare – Assignment

- Only Applies to Original Medicare Part B Claims
- Agreement between
  - People with Medicare, Doctors, and other health care suppliers and Medicare
- Providers agree to
  - Be paid by Medicare
  - Get only the amount Medicare approves for their services
  - Only charge the Medicare deductible and/or coinsurance amount
- Providers who do NOT agree
  - May charge more than Medicare-approved amount
    - Limit of 15% more for most services
  - May ask you to pay entire charge at time of service

Medigap – Overview

- Health insurance policies
  - Sold by private insurance companies
  - Follow Federal and state laws that protect you
  - Must say “Medicare Supplement Insurance”
  - Cover “gaps” in Original Medicare
  - Sold as standardized policies, plans A – L
    - Except in Minnesota, Massachusetts, Wisconsin
    - Can be used in any state in the US
  - Costs may vary by
    - Plan, company, where you live

Medigap – How It Works

- Only works with Original Medicare
  - Don't need Medigap if in MA Plan or other Medicare plans
- Can go to any doctor, hospital, or provider that accepts Medicare
  - Except with a Medicare SELECT policy
- You pay a monthly premium
- All Medigap plans must be approved by the IDOI
- A list of all Medigap plans is located on the SHIP website (or via packet in the mail)

Medicare Advantage Plans – Overview

- Health plan options approved by Medicare
  - A way to get your Medicare benefits delivered through private companies approved by Medicare
  - Still in Medicare program
  - Still have Medicare rights and protections
  - Still get regular Medicare-covered services
  - May get extra benefits
    - Such as vision, hearing, or dental care
  - May be able to get prescription drug coverage (Part D
- Different Advantage Plans
  - Health Maintenance Organization (HMO)
  - Preferred Provider Organization (PPO)
  - Private Fee-for-Service (PFFS)
  - Special Needs Plan (SNP)
  - Medicare Medical Savings Account (MSA)

Advantage Plans – How They Work

- Get Medicare-covered services through the plan
- Can include a prescription drug coverage
- You have to stay in a certain network of hospitals and providers
- Co-pays and deductible are different than Original Medicare

Advantage Plans – Enrollment

- Eligibility requirements
  - Live in plan service area
  - Have Medicare Part A and Part B
  - Not have End-Stage Renal Disease (ESRD) at time of enrollment
- You can join a Medicare Advantage Plan or other Medicare plan
  - When first eligible for Medicare
    - Initial Coverage Election Period
  - During specific enrollment periods
    - Annual Coordinated Election Period
    - Medicare Advantage Open Enrollment Period
    - Special Enrollment Periods

Advantage Plans – Switching

- Annual Election Period
  - November 15 – December 31
- Medicare Advantage Open Enrollment Period
  - January 1 – March 31
- Special Enrollment Periods
  - Move from the plan service area and cannot stay in the plan
  - Plan leaves Medicare program
  - Other special situations

Medicare Part D – Rx Coverage

- Available for all people with Medicare
- Provided through
  - Medicare Prescription Drug Plans
  - Medicare Advantage Plans
  - Other Medicare plans
- Who Can Join
  - Requirements:
    - Have Medicare Part A, Part B, or both
    - Live in plan service area
    - Enroll in a Medicare prescription drug plan

Medicare Part D – Enrollment

- When first eligible for Medicare
  - 7 months beginning 3 months before first month of Medicare eligibility
- During specific enrollment periods
  - Annual Coordinated Election Period
    - November 15 – December 31 each year
  - Special Enrollment Periods
- Some people are enrolled automatically

Medicare Part D – Switching

- Annual Election Period
- Special Enrollment Periods
  - Permanently move out of plan service area
  - Lose creditable prescription drug coverage
  - Enter, reside in, or leave a long-term care facility
    - Like a nursing home
  - Qualify for the extra help
  - Have other exceptional circumstances
- Late Enrollment Penalty
  - People who wait to enroll after their IEP
    - Pay about 30 cents per month for every month not enrolled in the plan
    - Except those with other creditable drug coverage
      - Coverage at least as good as Medicare prescription drug coverage

Medicare Part D – Indiana 2010 Facts

- 44 Medicare Prescription Drug Plans (PDPs) available
- 85% of people with Medicare have prescription drug coverage (including 55% with Part D)
- 34% of people with Part D get Extra Help (also called the low-income subsidy, or LIS)
- 100% of people with Medicare have access to a MA plan for a $0 premium
- $23.10 is the lowest monthly premium for a PDP
- 100% of people with Medicare have access to a MA plan with maximum out-of-pocket cost limit less than or equal to $3,400
- 18 PDPs have $0 deductibles
- $59.90 is the lowest monthly premium for a PDP with any generic coverage in the Coverage Gap
- 9 PDPs have a premium of $0 for people who qualify for Extra Help
- Plan costs and coverage change each year, so all people with Medicare should check to make sure their plan still meets their needs

Medicare Part D – Costs

- Costs vary by plan, most people will pay:
  - Monthly premium
  - Deductible, $310
  - Copayments or coinsurance
  - Very little after $4,550 out-of-pocket in 2010
- Extra help
  - Help with drug plan costs for people with limited income and resources
  - Social Security or state makes determination
  - Both income and resources are counted
  - Some groups are automatically eligible
    - People with Medicare and
      - Medicaid
      - Supplemental Security Income (SSI) only
      - Medicare Savings Programs
    - Everyone else must apply

How to Apply for Extra Help

- Multiple ways to apply
  - Paper application (from Social Security Office)
  - Applying with Social Security at www.socialsecurity.gov on the web
  - Applying through your local Medicaid office
  - LIS/MSP Enrollment Centers, your Local Area on Aging
- You or someone on your behalf can apply

Income and Resource Limits

- Income
  - Below 150% of Federal Income Level
    - $1,353.75 per month for an individual or
    - $1,821.25 per month for a married couple
    - Based on family size
- Resources
  - Up to $12,510 (individual)
  - Up to $25,010 (married couple)
    - Includes $1,500/person funeral or burial expenses
    - Counts savings and stocks
    - Does not count the home you currently live in

Hoosier Rx

- Hoosier Rx is Indiana's prescription drug plan for low-income seniors. Hoosier Rx does not consider your assets; it only considers your income.
- To qualify:
  - Indiana resident
  - Age 65 or over
  - Receive a low monthly income
  - Are without insurance that has a prescription drug benefit, you may qualify.
  - Net income is:
    - $15,840 or less for an individual
    - $21,240 or less for a couple
- To apply, call free of charge 1-866-267-4679.

Medicaid – What is it?

- Federal-state health insurance program
  - People with limited income and resources
  - Certain people with disabilities
- If eligible, most health care costs covered
- Eligibility determined by state
- Application processes and benefits vary

Medicare Savings Programs

- Help from Medicaid paying Medicare premiums
  - For people with limited income and resources
  - May also pay Medicare deductibles and coinsurance
  - Programs include
    - Qualified Medicare Beneficiary (QMB)
    - Specified Low-income Medicare Beneficiary (SLMB)
    - Qualifying Individual (QI)

2010 MSP Income & Asset Amounts

	Income	Assets
Qualified Medicare Beneficiary	$903 (single)	$6,600 (single)
	$1,215 (couples)	$9,910 (couples)
Specified Low Income Beneficiary	$1,083 (single)	$6,600 (single)
	$1,457 (couples)	$9,910 (couples)
Qualified Individual	$1,219 (single)	$6,600 (single)
	$1,640 (couples)	$9,910 (couples)

For More Information

- 1-800-MEDICARE (1-800-633-4227)
  - TTY users should call 1-877-486-2048
- Medicare & You 2010 handbook
- Other Medicare publications
- www.medicare.gov
- www.cms.hhs.gov
- SHIP telephone: 1-800-452-4800
- SHIP website: www.medicare.in.gov